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## LOWENSTEIN, SANDLER, KOHL, FISHER & BOYLAN

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October 31, 1997

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ROBERT L. KRAKOWER  
NORMAN W. SPINDEL  
STUART S. YUSEM  
HARVEY SMITH  
DAVID E. ALPERT

**VIA CERTIFIED MAIL**  
**(RETURN RECEIPT REQUESTED)**

Mutual Marine Office, Inc.  
330 Madison Avenue  
7th Floor  
New York, NY 10017-5001

Re: Potential Claim for Environmental Damage in the  
Coeur d'Alene Basin, Northern Idaho  
Insured: Group R Co., Inc.  
Policy No.: MMMW 72079 (10/1/82 - 10/1/83)

Dear Sir or Madam:

We write on behalf of Group R Co., Inc. ("Group R"). Group R is the successor by merger to the Golconda Corporation (formerly known as the Golconda Lead Mines, Inc. (from 1927-1962) and the Golconda Mining Corporation (from 1962-1970)) and was formally known as the RegO Company (from 1977-1978) ("RegO") and RegO Group, Inc. (from 1978-1992) ("RegO Group"). From 1974 through 1976, Cerro Corporation ("Cerro") owned approximately 85% of the shares in Golconda Corporation. In 1976, Cerro was merged into the Cerro-Marmon Corporation ("Cerro-Marmon") and Cerro-Marmon continued to hold an 85% interest in Golconda. In 1977, Cerro-Marmon changed its name to The Marmon Group, Inc. ("Marmon Group") and continued to own 85% of Golconda/RegO/RegO Group until 1985, when Marmon Group purchased the outstanding 15% of stock in RegO Group and became the owner of 100% of the stock.

On or about August 29, 1997, the United States Department of Justice and the Coeur d'Alene Tribe filed motions in the United States District Court for the District of Idaho seeking leave to amend their complaints to add Group R as a defendant and seeking contribution pursuant to CERCLA

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10/31/970443049.01



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GRP "R" CDA dm - 0327

October 31, 1997

toward the cleanup costs of the Coeur d'Alene mining district in Northern Idaho as well as Natural Resource Damages. A copy of those motions are attached for your information.

Your company provided insurance coverage to either Golconda Corporation, Cerro, Cerro-Marmon, the Marmon Group, Marmon Holdings, Inc., the Pritzker Interests (including all divisions, subsidiaries and affiliates thereof) and/or Group R which obligates it to both defend and indemnify Group R against this claim. Kindly acknowledge your receipt of this notice and your acknowledgment of your defense and indemnity obligations by sending a written letter to Michael David Lichtenstein, Esq., Lowenstein, Sandler, Kohl, Fisher & Boylan, 65 Livingston Avenue, Roseland, New Jersey 07068.

Should you have any questions please do not hesitate to contact the undersigned.

Very truly yours,

  
Michael David Lichtenstein

MDL/nap  
Enclosure

cc: Michael L. Rodburg, Esq.  
William T. Sweeney (The Marmon Group, Inc.)

LS 003880

# LOWENSTEIN, SANDLER, KOHL, FISHER & BOYLAN

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HARVEY SMITH  
DAVID E. ALPERT

October 31, 1997

**VIA CERTIFIED MAIL**  
**(RETURN RECEIPT REQUESTED)**

Employers Mutual Casualty Company  
717 Mulberry Street  
Des Moines, IA 50309-3872

Re: Potential Claim for Environmental Damage in the  
Coeur d'Alene Basin, Northern Idaho  
Insured: Group R Co., Inc.  
Policy No.: MMO-71637 (12/15/80 - 2/1/82)  
MMMW72044 (2/1/82 - 10/1/82)  
MMMW72122 (10/1/83 - 10/1/84)  
MMMW72188 (10/1/84 - 10/1/85)

Dear Sir or Madam:

We write on behalf of Group R Co., Inc. ("Group R"). Group R is the successor by merger to the Golconda Corporation (formerly known as the Golconda Lead Mines, Inc. (from 1927-1962) and the Golconda Mining Corporation (from 1962-1970)) and was formally known as the RegO Company (from 1977-1978) ("RegO") and RegO Group, Inc. (from 1978-1992) ("RegO Group"). From 1974 through 1976, Cerro Corporation ("Cerro") owned approximately 85% of the shares in Golconda Corporation. In 1976, Cerro was merged into the Cerro-Marmon Corporation ("Cerro-Marmon") and Cerro-Marmon continued to hold an 85% interest in Golconda. In 1977, Cerro-Marmon changed its name to The Marmon Group, Inc. ("Marmon Group") and continued to own 85% of Golconda/RegO/RegO Group until 1985, when Marmon Group purchased the outstanding 15% of stock in RegO Group and became the owner of 100% of the stock.

On or about August 29, 1997, the United States Department of Justice and the Coeur d'Alene Tribe filed motions in the United States District Court for the District of Idaho seeking leave to

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10/31/970443049.01

LS 003881

GRP "R" CDA dm - 0329

October 31, 1997

amend their complaints to add Group R as a defendant and seeking contribution pursuant to CERCLA toward the cleanup costs of the Coeur d'Alene mining district in Northern Idaho as well as Natural Resource Damages. A copy of those motions are attached for your information.

Your company provided insurance coverage to either Golconda Corporation, Cerro, Cerro-Marmon, the Marmon Group, Marmon Holdings, Inc., the Pritzker Interests (including all divisions, subsidiaries and affiliates thereof) and/or Group R which obligates it to both defend and indemnify Group R against this claim. Kindly acknowledge your receipt of this notice and your acknowledgment of your defense and indemnity obligations by sending a written letter to Michael David Lichtenstein, Esq., Lowenstein, Sandler, Kohl, Fisher & Boylan, 65 Livingston Avenue, Roseland, New Jersey 07068.

Should you have any questions please do not hesitate to contact the undersigned.

Very truly yours,



Michael David Lichtenstein

MDL/nap  
Enclosure

cc: Michael L. Rodburg, Esq.  
William T. Sweeney (The Marmon Group, Inc.)

LS 003882



## EMC Insurance Companies

November 6, 1997 P.O. Box 712 • Des Moines, IA 50303-0712 • Tel. (515) 280-2511

Lowenstein, Sandler, Kohl, Fisher & Boylan  
Attention: Michael David Lichtenstein Esq.  
65 Livingston Avenue  
Roseland, NJ 07068-1791

**Re: Group R. Co. Inc. and/or Marmon Group Environmental  
Policy Number(s): MMO 71637, MMMW 72044, 72122, 72188**

Dear Mr. Lichtenstein:

This is to advise you that Employers Mutual Casualty Company did not issue Policy Number(s) MMO 71637, MMMW 72044, 72122, 7288. Those policies were all issued by the Mutual Marine Office, 330 Madison Avenue, New York, New York 10017-5001. They simply were issued with a declaration sheet of Employers Mutual Casualty Company which, at the time of issuance of those policies, was a member of a consortium of insurance companies underwriting the stated excess exposure. Since 1985 Employers Mutual Casualty Company has no longer been a member of that group. All of their exposure to claims was extinguished. New members to that pooling agreement assumed all of Employers Mutual Casualty Company's liabilities.

All of the claims are handled by the Mutual Marine Office. As the underwriting manager, all correspondence should be directed to them, and Employers Mutual Casualty Company does not need to be copied. The gentleman that you should be dealing with on environmental claims is Mr. Stephen McCarthy. Please forward all information on any additional old or new claims to Mr. McCarthy at the Mutual Marine Office. Do not refer any claims to this office, as we simply forward them on to the Mutual Marine Office without acknowledging same to you. This causes a delay in processing any information which you wish to convey. Please acknowledge this letter so that I will know that you understand its contents.

Very truly yours,

Robert L. Riley  
Assistant Vice President  
H.O. Claim Superintendent

RLR/smb

c: Stephen McCarthy, Assistant Loss Secretary  
Mutual Marine Office, Inc.  
330 Madison Avenue  
New York, NY 10017-5001

LS 003883

Employers Mutual Casualty Company, Des Moines  
Union Insurance Company of Providence, Providence  
Illinois EMCASCO Insurance, Oak Brook  
EMCASCO Insurance Company, Des Moines

Employers Modern Life Company, Des Moines  
Dakota Fire Insurance Company, Bismarck  
American Liberty Insurance Company, Des Moines  
Hamilton Mutual Insurance Company, Cincinnati